



Inside Congress

by United States Representative George R. Nethercutt, Jr.

For the week ending September 6, 2002

Welcome to this week's edition of Inside Congress. I am glad to share with you a little of my work in the national legislature. Please follow the listed links or contact my office for more information on the topics mentioned here.

SEPTEMBER MEANS BACK TO WORK FOR CONGRESS

During the month of August, I held many meetings across the Fifth District to talk about important issues, from a prescription drug benefit for seniors, to creating jobs in the Inland Northwest and protecting our environment. I was able to meet with many of you and hear your concerns. If you weren't able to attend one of my town hall meetings, I hope I will see you in the fall.

After Labor Day, Congress resumed work at the Capitol and we have a long list of work to complete before we adjourn for the year, including finishing the 13 spending bills that allow the government—and especially our military—to operate for 2003. You can check *Inside Congress* every week for an update on what legislation Congress has passed.

SPECIAL SESSION IN NEW YORK TO COMMEMORATE 9/11

Friday, I attended a special joint session of the House and Senate in New York City to commemorate Sept. 11. Our gathering in Federal Hall was an historic occasion. The last time Congress met in New York City was 1790, for the inauguration of George Washington. This history was highlighted by Rev. Daniel Coughlin, the House chaplain, who delivered the invocation for the special session with the Bible used by Washington to take the oath of office at his first inauguration.

Congress passed a resolution during the session commending the sacrifice of those who died on Sept. 11 and the courage of the rescue and recovery squads. Out of respect, it is appropriate that Congress held a commemorative session to pay tribute to those who lost their lives and served bravely approximately one year ago.

A charitable foundation paid for the cost of the ceremonial session.

9/11 TO BE KNOWN AS PATRIOT DAY

President Bush proclaimed this week that September 11, 2002 shall now be known as Patriot Day. In his proclamation, the President urged Americans to observe Sept. 11

with appropriate ceremonies and activities, including remembrance services and candlelight vigils. Flags will also be flown at half-staff on Patriot Day. The President urged Americans to fly flags at their home that day and observe a moment of silence at 8:46 a.m.

CONCERN WITH PROPOSED ELECTRICITY MARKET CHANGES

This week I participated in an Appropriations Committee meeting to approve energy and water spending for Fiscal Year 2003.

The bill includes \$26 billion for the U.S. Army Corps of Engineers, the Department of Interior including the Bureau of Reclamation, the Department of Energy, and several Independent Agencies, including the Nuclear Regulatory Commission.

I worked with the Chairman of the subcommittee that funds these agencies to include a directive in this bill expressing serious concern over a proposal by the Federal Energy Regulatory Commission (FERC) that would increase electricity rates in the Northwest and harm consumers. FERC released its Standard Market Design (SMD) Order on July 31, 2002. The proposal attempts to solve problems that largely do not exist in the Northwest, such as discriminatory access to and pricing of transmission. The order instead would nullify existing transmission rights and threaten BPA obligations such as regional preference, public power preference and fish recovery efforts. We would experience cost shifts from importing regions onto exporting regions and from independent power generators onto load-serving entities.

The language included in the Fiscal Year 2003 Energy and Water Development Appropriations bill would require that at least 90 days before the SMD rule is finalized, the Secretary of Energy must submit an independent analysis of the impact of the SMD rule to Congress. The analysis must compare wholesale and retail electricity prices in the major regions of the country both under existing conditions and under the proposed new rule. It must also address the rule's (a) costs and benefits, including its impacts on energy infrastructure development and investor confidence; (b) impacts on state utility regulation; (c) financial impact on retail customers; (d) impact on the reasonableness of electricity prices; and (e) impact on the safe, reliable, and secure operation of the Nation's generation and transmission facilities.

This study requirement is the first step in what I expect will be even stronger directives issued by Congress on this issue. As co-chairman of the Northwest Energy Caucus, I will continue to lead in this effort to maintain our low-cost electricity in the Northwest.

LEGISLATION

This week I became a cosponsor of the Securing America's Future through Enforcement Reform (SAFER) Act, **H.R. 5013**, introduced by Rep. Gekas of Pennsylvania.

The SAFER Act creates reforms in six specific areas of immigration policy: 1) securing the border, 2) screening aliens seeking admission, 3) tracking aliens in the United States, 4) removing alien terrorists, criminals, and human rights abusers, 5) enhancing interior enforcement, and 6) having a legal immigration system that makes sense.

I also signed a letter urging Senate Judiciary Committee Chairman Patrick Leahy of Vermont to pass legislation to require a mandatory life sentence for repeat child sex offenders. I am a cosponsor of the **Two Strikes and You're Out Child Protection Act**, which passed the House of Representatives in March by a vote of 382-34.

ON THE FLOOR

Here is a recap of the legislative activity for the week:

H.R. 5203, Education Affordability Act of 2002. The bill failed by a vote of 213-188 because a two-thirds majority was needed to pass the bill. I voted in favor of the bill.

H.R. 5203 would have made permanent the significant tax incentives to improve the affordability of education at the kindergarten through college levels that were included in the major tax relief legislation signed into law last year. These provisions are scheduled to expire at the end of 2010 because of a "sunset" provision that was included in the law to comply with arcane procedural rules in the Senate. H.R. 5203 would have made the following provisions from last year's law permanent:

- increase in the annual contribution limit to an Education Savings Account (ESA) from \$500 to \$2,000;
- expansion of ESA benefits to qualified K-12 education expenses at public, private, and religious schools;
- tax-free withdrawals from 529 plans for qualified higher education expenses;
- pre-paid tuition programs at private institutions of higher education;
- tax-free employer-provided education assistance;
- elimination of 60-month limit on the deductibility of student loan interest payments;
- increase in income limits for student loan interest deduction from \$40,000-\$55,000 under prior law to \$50,000-\$65,000 under current law. The limits are twice as high for married couples;
- clarifies that ESAs can be used to pay for home school expenses as long as the home school meets the State's regulations and standards. Under present law, ESAs benefit home schoolers in only 12 states; and
- clarifies that appointments to a military academy qualify as "scholarships" under sec. 529 so that parents are not penalized if their child receives an appointment to a military academy.

H.R. 4727, Dam Safety and Security Act of 2002. The bill passed by a vote of 401-2. I voted yes.

This bill reauthorizes and amends the National Dam Safety Program Act for three years to reduce risks of dam failure through a national dam safety program. The bill also requires the development of a strategic plan, requires the development of dam safety training materials and courses for State and local officials. The measure also provides assistance for State dam safety programs, allows for the appointment of State dam safety officials to the Interagency board.

SCHEDULE

I met with Rob Alvarez of Spokane. I met with Doug Heimgartner, Sandra Gamble, Bill Blue, Christopher Hesse, Greg Brault, David Lemon to discuss accounting reform laws and proposed reforms in the future. I attended an Appropriations Committee meeting to approve energy and water spending for FY 2003. I attended a special joint session of Congress in New York City to commemorate Sept. 11, and visited Ground Zero.

CONTACT INFORMATION

I always enjoy hearing from you. Please feel free to contact me if I can be of assistance to you in any matter. Here are some of the ways you may reach me, especially if you know of others who may want to receive this report each week:

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